

JTJ Heartbeat A/S

Østergade 26, DK-1100 Copenhagen

CVR no 37 28 06 82

Annual Report for January 01, 2023 to December 31, 2023

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on June 26, 2024

Anders Hagstrøm
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of JTJ Heartbeat A/S (the Company) for the financial year January 01 - December 31, 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the financial position at December 31, 2023 of the Company and of the results of the Company's operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, June 25, 2024

Executive Board

Thomas Kusk Nørøxe
CEO

Jørn Vestergaard
CFO

Board of Directors

Andrew William Crawford
Chairman

Tue Mantoni

Andrea Calabro

Melis Zeynep Kahya

Nassef Sawiris

Harrison Robert DiGia

Independent Auditor's Report

To the Shareholder of JTJ Heartbeat A/S

Opinion

We have audited the financial statements of JTJ Heartbeat A/S for the financial year January 01, 2023 - December 31, 2023 which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at and of the results of its operations for the financial year January 01 - December 31, 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

Independent Auditor's Report

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, June 25, 2024
Deloitte Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Niels Skannerup Vendelbo
State Authorized Public Accountant
Identification No (MNE) mne34532

Company Information

The Company

JTJ Heartbeat A/S
Østergade 26
DK-1100 Copenhagen

CVR No: 37 28 06 82
Financial period: January 01- December 31
Municipality of reg. office: Copenhagen

Board of Directors

Andrew William Crawford, Chairman
Tue Mantoni
Andrea Calabro
Melis Zeynep Kahya
Nassif Sawiris
Harrison Robert DiGia

Executive Board

Thomas Kusk Nørøxe
Jørn Vestergaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Income Statements for the years ended December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Gross loss		(2,317)	(380)
Financial income	3	1,082	13,388
Financial expenses	4	<u>(143,285)</u>	<u>(117,113)</u>
Loss before tax		(144,520)	(104,105)
Tax on loss for the year	5	<u>15,914</u>	<u>6,580</u>
Net loss for the year		<u>(128,606)</u>	<u>(97,525)</u>
Proposed distribution of loss		<u> </u>	<u> </u>
Retained earnings		<u>(128,606)</u>	<u>(97,525)</u>

Balance Sheet as of December 31

<i>In thousands DKK</i>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Assets			
Investments in subsidiaries	6	3,166,513	3,166,513
Receivables from group enterprises		19,505	23,051
Deferred tax assets		8,121	–
Total non-current assets		<u>3,194,139</u>	<u>3,189,564</u>
Prepayments		–	568
Other receivables		–	4,255
Cash		8,617	–
Total currents assets		<u>8,617</u>	<u>4,823</u>
Total assets		<u>3,202,756</u>	<u>3,194,387</u>
Equity			
Share capital		510	510
Hedging reserve		–	(964)
Retained earnings		2,188,538	2,318,108
Total equity		<u>2,189,048</u>	<u>2,317,654</u>
Liabilities			
Borrowings	7	–	651,855
Subordinated loan	7	–	131,390
Payables to group enterprises	7	1,009,638	77,317
Total non-current liabilities		<u>1,009,638</u>	<u>860,562</u>
Payables to group enterprises	7	–	15,944
Tax liabilities		2,764	–
Other payables		1,306	227
Total current liabilities		<u>4,070</u>	<u>16,171</u>
Total liabilities		<u>1,013,708</u>	<u>876,733</u>
Total liabilities and equity		<u>3,202,756</u>	<u>3,194,387</u>
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Statements of Changes in Equity as of December 31

<i>In thousands DKK</i>	<u>Share capital</u>	<u>Hedging reserve</u>	<u>Retained earnings</u>	<u>Total</u>
2022:				
Equity at January 01.....	510	(3,825)	2,415,633	2,412,318
Fair value adjustment of derivatives.....	–	2,861	–	2,861
Net loss for the year.....	–	–	(97,525)	(97,525)
Equity	510	(964)	2,318,108	2,317,654
2023				
Equity at January 01.....	510	(964)	2,318,108	2,317,654
Fair value adjustment of derivatives.....	–	964	(964)	–
Net loss for the year.....	–	–	(128,606)	(128,606)
Equity	510	–	2,188,538	2,189,048

Notes to the Financial Statements

1. Financial situation and capital management

Over the recent years, the Company has realized losses. However, following the capital increase in JOE & THE JUICE Holding A/S (the Parent Company) and the subsequent refinancing in December 2023, Management has assessed that the Company can obtain adequate liquidity and financial resources to continue its operations in the foreseeable future, which has been formalized in a letter of support issued by JOE & THE JUICE Holding A/S.

Based on the above assessments, the Annual Report is presented under the going concern assumption.

2. Key activities

The key activities of the Company is to hold ownership shares in companies that operate JOE & THE JUICE stores.

3. Financial income

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Interest income from group enterprises.....	1,073	1,047
Fair value adjustments of derivatives	–	12,341
Exchange adjustment, income.....	9	–
	<u>1,082</u>	<u>13,388</u>

4. Financial expenses

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Interest expense, external	119,224	88,577
Cost of loan modification and other charges.....	14,621	22,846
Interest expense to group enterprises	9,440	2,829
Recycling of fair value adjustments of derivatives.....	–	2,861
	<u>143,285</u>	<u>117,113</u>

5. Tax on loss for the year

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Current tax for the year	6,609	–
Deferred tax for the year	8,121	–
Adjustment to prior years	1,184	6,580
	<u>15,914</u>	<u>6,580</u>

Notes to the Financial Statements

6. Investments in subsidiaries

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Cost at January 01	3,166,513	3,166,513
Additions for the year	–	–
Cost at December 31	<u>3,166,513</u>	<u>3,166,513</u>
Value adjustments at January 01	–	–
Value adjustments at December 31	–	–
Carrying amount at December 31	<u>3,166,513</u>	<u>3,166,513</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit for the year
JOE & THE JUICE A/S	Copenhagen	TDKK 618	100%	TDKK (29,036)	TDKK 19,498

7. Long-term debt

Payments due within 1 year are recognized as short-term debt. Payments due after 1 year are recognized as long-term debt. The debt falls due for payment as specified below:

<i>In thousands DKK</i>	<u>2023</u>	<u>2022</u>
Subordinated loan capital		
Between 1 and 5 years.....	–	131,390
Within 1 year	–	–
	<u>–</u>	<u>131,390</u>
Borrowings		
Between 1 and 5 years.....	–	651,855
Within 1 year.....	–	–
	<u>–</u>	<u>651,855</u>
Payables to group enterprises		
Between 1 and 5 years.....	1,009,638	77,317
Within 1 year	–	15,944
	<u>1,009,638</u>	<u>93,261</u>

On December 21, 2023, all term loans and CAPEX facilities, and other ancillary facilities, that were owed to the Bank Syndicate with Skandinaviska Enskilda Banken AB (publ) (SEB) as lead arranger and subordinated loan owed to Vækstfonden were refinanced by the Parent Company through a primary fund injection by General Atlantic JTJ B.V. upon becoming the majority shareholder of the Parent Company and the old loan agreements were terminated. As a result of the refinancing, the Company owed the Parent Company a total amount of 804 DKK million. The remaining amount pertain to payables to other group entities arising out of other intercompany transactions.

Notes to the Financial Statements

8. Contingent assets, liabilities and other financial obligations

Charges and security

As of December 31, 2023, shares in the Company and its subsidiary JOE & THE JUICE A/S have been provided as security under certain circumstances for all accounts with SEB.

Contingent liabilities

The Company has, through SEB, issued bank guarantees totaling DKK 136 million (2022: DKK 138 million) on behalf of subsidiaries.

The Danish group companies are jointly and severally liable for tax on the jointly taxable income of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties

Payables and receivables to group entities are disclosed in the balance sheet.

Controlling Interest

<u>Name</u>	<u>Basis</u>
General Atlantic JTJ B.V.	Ultimate Controlling Party
JOE & THE JUICE Holding A/S	Ultimate Parent Company in Denmark

Consolidated Financial Statements

The Company is included in the consolidated financial statements of the Parent Company.

<u>Name</u>	<u>Place of registered office</u>
JOE & THE JUICE Holding A/S	Copenhagen, Denmark

10. Subsequent events

The Company has determined that there are no material events which occurred after the reporting date but before the financial statements are authorized for issue.

11. Accounting Policies

The Annual Report of the Company for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The statutory financial statements for 2023 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of JOE & THE JUICE Holding A/S, the Company has not prepared consolidated financial statements.

Notes to the Financial Statements

Recognition and measurement

Value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Hedge accounting

Cash flow hedge has been considered ineffective and fair value gains or losses following this discontinuance are recognized in the income statement as financial items. Cumulative gain or loss recognized in equity is recycled to the income statement over the term of the hedge and through equity upon its maturity. The Company received cash settlement upon maturity of the interest rate swap agreement during the year.

Income Statement

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross loss consists of other external expenses.

Other external expenses

Other external expenses comprise audit, legal expenses and other administration expenses.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year, including fair value adjustments of derivatives.

Notes to the Financial Statements

Tax on loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Impairment of fixed assets

The carrying amounts of fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to become due as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Financial liabilities

Loans, such as loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Other liabilities are measured at amortized cost, substantially corresponding to nominal value.